

tions in manufactured goods after they leave the workshops of the manufacturers on the way to consumers probably exceed appreciably the number and value of similar transactions in the raw materials to which both these Tables are essentially confined. In the exclusion, accordingly, of the prices of manufactured articles a very significant element is missing in the determination of a completely general history of prices.

2. A pertinent inquiry relates to the number of different commodities to be employed. It might appear, on a first consideration, that the more extensive were the range of commodities embraced, the more adequate, typical and conclusive would be the result. But this assumption is not justified, since, as has been explained, the more spacious be the list the more proportionately are comprised articles of infrequent or specialised use which, being less liable to the ordinary conditions of supply and demand which govern prices generally, would thus tend to obscure and distort the general change as determined by the permanent and universal conditions affecting the demand for commodities of wide utility and request. The single guide appears to be that, bearing the preceding requirements in mind, the survey should be sufficiently extended to include the more important descriptions of principal commodities. We are thus cast again upon the exercise of individual or collective discrimination, which only prolonged and sagacious study can confer.

3. A standard period of average prices—with which the prices of any particular year or years may be compared through the agency of Index Numbers—must be adopted with a view to excluding any exceptional or temporary changes of price which might be found to prevail,

from various and non recurrent causes, or from causes which cannot be reasonably predicted, during a period of brief duration. Our criterion should evidently be adequately typical. The period selected by the *Economist* embraces the six years from 1845 to 1850, while Mr. Sauerbeck's comprises eleven years from 1867 to 1877. There can be no doubt, I consider, that Mr. Sauerbeck's choice of the length of term affords the preferable and more stable basis, since it includes allowances for all the sequent and recurrent characteristics and contingencies which constitute a